



DEPARTMENT OF TAXATION

STATE OF HAWAII

April 26, 1984

# TAX INFORMATION RELEASE

NO. 84-1

RE: TAXABILITY OF INTEREST ON U.S. OBLIGATIONS

Inquiries have been received as to the current taxability for Hawaii income tax purposes of income from certain obligations of the United States.

There are obligations issued by agencies of the U.S. government which contain language prohibiting the levying of a state tax on the interest paid on these obligations; however, there are obligations issued by other U.S. agencies which do not contain such prohibitive language and, therefore, can be subject to a state tax.

For uniformity in application, the attached list of federal securities and the taxable status of interest received from such securities is provided from the most recent source available to the Department of Taxation.

Since federal laws are amended and income received from new agencies may be either taxable or exempt, it is suggested that information be obtained from the agency issuing the obligation as to its exempt status, if possible.

This release supersedes Tax Information Release No. 64-79.

Attachment

# # # # #

I. Federal securities:

Security	Interest
Asian Development Bank	T
Bank for Cooperatives	E
Environmental Financing Authority	T
Export-Import Bank of the United States ("Eximbank"):	
(1) Series 1978 - B debentures	E
(2) Participation certificates (reversal of Counsel opinion dated 8/29/67)	T
Federal Deposit Insurance Corporation obligations	E
Federal Housing Authority (F.H.A.)	E
Farmers Home Administration	E
Federal Financing Bank	E
Federal Home Loan Bank	E
Federal Home Loan Mortgage Corp.	T
Federal Intermediate Credit Banks	E
Federal Land Banks	E
Federal National Mortgage Association (Fannie Mae):	
(1) Interest on bonds and debentures	T
(2) Guaranteed Participation Certificates	T
Federal Savings and Loan Insurance Corporation obligations	E
General Semites Administration.	E
Government National Mortgage Assn. (Ginnie Mae)	T
Guam	E
H.U.D./New Communities	E
H.U.D. Public Housing Notes and Bonds (Taxfree in State of issuance. (In state of issuance)	E
(1) If issued in the District of Columbia Puerto Rico, the Virgin Islands, they are exempt from all State tax. (If issued in other states)	T
Inter-American Development Bank Bonds	T
International Monetary Fund and Bank for Reconstruction and Development (World Bank)	T
Jonathan Development Corp. (Obligations guaranteed under New Communities Act of 1968)	T
Merchant Marine	E
Panama Canal Zone Bonds specifically exempt from tax by 31 USC 744 and 745	E
Production Credit Association	E
Puerto Rico Water Resources - 4.2 per cent bonds due 1/1/89 - Interest on Bonds	E
Puerto Rico	E
R.F.K. Stadium Bonds	T
Small Business Administration	E
Student Loan Marketing Association	E
Tennessee Valley Authority	E
U.S. Postal Service	E
U.S. Treasury	E
U.S. Treasury Bills	E
USAVE Certificates - Farmers Home Administration Insured Loan Notes	Partially
Virgin Islands	E
Washington Metropolitan Area Transit Authority Bonds	T